

House File 638 - Introduced

HOUSE FILE 638
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 210)

A BILL FOR

1 An Act relating to matters before the Iowa ethics and campaign
2 disclosure board, including campaign finance filings,
3 attribution statements, authorized gifts, and delinquent
4 payment penalties.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.201, subsection 2, paragraphs a and
2 b, Code 2023, are amended to read as follows:

3 a. The name, purpose, mailing address, electronic mail
4 address, and telephone number of the committee. The committee
5 name shall not duplicate the name of another committee
6 organized under this section. For candidate's committees
7 filing initial statements of organization on or after July
8 1, 1995, the candidate's name shall be contained within the
9 committee name.

10 b. The name, mailing address, electronic mail address, and
11 position of the committee officers.

12 Sec. 2. Section 68A.201A, subsection 6, Code 2023, is
13 amended to read as follows:

14 6. The verified statement shall be filed ~~by 4:30~~ in an
15 electronic format no later than 11:59 p.m. of the day the
16 filing is due.

17 Sec. 3. Section 68A.401, subsection 1, paragraph a, Code
18 2023, is amended to read as follows:

19 a. A state statutory political committee, a county statutory
20 political committee, a political committee, and a candidate's
21 committee shall file all statements and reports in an
22 electronic format ~~by 4:30~~ no later than 11:59 p.m. of the day
23 the filing is due and according to rules adopted by the board.

24 Sec. 4. Section 68A.405, subsection 1, paragraph a,
25 subparagraph (3), Code 2023, is amended to read as follows:

26 (3) "Published material" means any newspaper, magazine,
27 shopper, outdoor advertising facility, poster, direct mailing,
28 brochure, internet site, campaign sign, or any other form of
29 printed or electronic general public political advertising.
30 "Published material" includes radio, television, video, or
31 ~~motion picture~~ internet advertising.

32 Sec. 5. Section 68A.405, subsection 1, paragraph b,
33 subparagraph (1), Code 2023, is amended to read as follows:

34 (1) Except as set out in subsection 2, published material
35 designed to expressly advocate the nomination, election,

1 or defeat of a candidate for public office or the passage
2 or defeat of a ballot issue shall include on the published
3 material ~~an~~ a clear and conspicuous attribution statement
4 disclosing who is responsible for the published material.

5 Sec. 6. Section 68A.405, subsection 3, Code 2023, is amended
6 to read as follows:

7 3. For television, or video, ~~or motion picture~~ advertising,
8 the attribution statement shall be displayed on the screen
9 in a clearly readable manner for at least four seconds. For
10 radio advertising, the attribution statement shall be read in a
11 clearly understandable manner.

12 Sec. 7. Section 68B.22, subsection 4, paragraph j, Code
13 2023, is amended to read as follows:

14 *j.* Nonmonetary items with a value of ~~three~~ ten dollars or
15 less that are received from any one donor during one calendar
16 day. The allowable value of nonmonetary items shall be
17 annually adjusted to reflect a change in value due to inflation
18 and shall not include the sales tax associated with such items.

19 Sec. 8. Section 68B.22, subsection 8, Code 2023, is amended
20 to read as follows:

21 8. Except as otherwise provided in subsection 4, an
22 organization or association which has as one of its purposes
23 the encouragement of the passage, defeat, introduction,
24 or modification of legislation shall not give and a member
25 of the general assembly shall not receive food, beverages,
26 registration, or scheduled entertainment with a per person
27 value in excess of ~~three~~ ten dollars. The allowable per
28 person value of food, beverages, registration, or scheduled
29 entertainment shall be annually adjusted to reflect a change
30 in value due to inflation and shall not include the sales tax
31 associated with such costs.

32 Sec. 9. Section 68B.32, subsections 3 and 5, Code 2023, are
33 amended to read as follows:

34 3. The board shall annually elect one member to serve as
35 the chairperson of the board and one member to serve as vice

1 chairperson. The vice chairperson shall act as the chairperson
2 in the absence or disability of the chairperson or in the
3 event of a vacancy in that office. The chairperson and vice
4 chairperson shall not be members of the same political party.

5 5. The board shall employ a full-time executive director who
6 shall be the board's chief administrative officer. The board
7 shall employ or contract for the employment of legal counsel
8 notwithstanding [section 13.7](#), and any other personnel as may
9 be necessary to carry out the duties of the board. The board's
10 legal counsel shall be the chief legal officer of the board and
11 shall advise the board on all legal matters relating to the
12 administration of [this chapter](#) and [chapter 68A](#). The state may
13 be represented by the board's legal counsel in any civil action
14 regarding the enforcement of [this chapter](#) or [chapter 68A](#), or at
15 the board's request, the state may be represented by the office
16 of the attorney general. Notwithstanding [section 8A.412](#), all
17 of the board's employees, except for the executive director and
18 legal counsel, shall be employed subject to the merit system
19 provisions of [chapter 8A, subchapter IV](#). The salary of the
20 executive director shall be fixed by the board, within the
21 range established by the general assembly. The salary of the
22 legal counsel shall be fixed by the board, within a salary
23 range established by the department of administrative services
24 for a position requiring similar qualifications and experience.
25 If the executive director also serves as the board's legal
26 counsel, the board may award the executive director additional
27 compensation which shall not annually exceed fifty percent of
28 the maximum annual salary for the range established by the
29 general assembly for the board's executive director position.

30 Sec. 10. Section 68B.32A, Code 2023, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 20. Beginning January 1, 2024, and every
33 January 1 thereafter, calculate and record any change in value
34 due to inflation using the annual percentage change in the
35 United States department of labor, bureau of labor statistics,

1 consumer price index for all urban consumers for the midwest
2 region, all items, or its successor index, as provided under
3 section 68B.22, subsection 4, paragraph "j", and section
4 68B.22, subsection 8.

5 Sec. 11. NEW SECTION. **68B.32E Delinquent penalties —**
6 **enforcement.**

7 1. A civil penalty assessed by the board under section
8 68B.32D, subsection 1, paragraph "h", shall be paid no later
9 than thirty days after the order is issued. A civil penalty is
10 delinquent if the full amount of the civil penalty has not been
11 timely paid.

12 2. *a.* In lieu of paying the full amount of the civil
13 penalty within thirty days, a person may enter into an
14 installment payment plan. A payment plan must be agreed to
15 in writing and signed by the board's executive director and
16 the person owing the civil penalty. The payment plan must
17 include a payment schedule with the payment dates described.
18 The payment plan must be established no later than thirty days
19 after the issuance of the order requiring the person to pay a
20 civil penalty, as provided under section 68B.32D, subsection
21 1, paragraph "h".

22 *b.* If a payment plan is established, the civil penalty is
23 delinquent if an installment payment is not paid within thirty
24 days of the payment date provided in the payment plan.

25 3. A civil penalty delinquent for sixty days or longer
26 on or after July 1, 2023, shall accrue interest at a rate of
27 ten percent per annum, compounded monthly, beginning on the
28 later of July 1, 2023, and the date the civil penalty becomes
29 delinquent. The board may waive any accrued interest.

30 4. If a civil penalty remains delinquent for thirty days or
31 longer, the board shall send final notice to the person owing
32 the civil penalty. Such notice shall be sent via restricted
33 certified mail, and must include notice of the applicable
34 action provided in subsection 5 or 6.

35 5. Notwithstanding sections 321.210, 321.210A, and

1 321.210B, if a civil penalty owed by a person who was issued a
2 driver's license in this state is delinquent under subsection 1
3 or 2, and if the person owes two hundred fifty dollars or more,
4 the person's driver's license shall be suspended as follows:

5 a. The board shall issue an order to suspend the person's
6 driver's license to the department of transportation thirty
7 days after the person received a final notice in accordance
8 with subsection 4.

9 b. The department of transportation shall suspend the
10 person's driver's license within ten business days of receiving
11 the board's order and shall send notice of the suspension to
12 the person in accordance with section 321.210E and provide
13 confirmation to the board when the person's driver's license
14 is suspended.

15 c. If the civil penalty owed by the person is no
16 longer delinquent, the board shall order the department of
17 transportation to reinstate the person's driver's license. The
18 department of transportation shall send notice to the person
19 whose license is reinstated and provide written confirmation to
20 the board when the license is reinstated.

21 6. If a civil penalty owed by a person who was not issued a
22 driver's license in this state is delinquent under subsection 1
23 or 2, and if the person owes two hundred fifty dollars or more,
24 the board shall revoke any authority granted by the board for
25 the person to operate a candidate's committee and a political
26 committee in this state until the person's debt is no longer
27 delinquent.

28 7. Any penalty shall be stayed if an appeal is pending for
29 the underlying matter for which the person was issued a civil
30 penalty. For the duration of the stay, the penalty shall not
31 be deemed delinquent and shall not accrue interest.

32 8. The board may waive collection of a penalty owed in
33 circumstances where collection is impracticable.

34 9. This section does not prohibit the board from taking
35 alternative enforcement actions permitted by this chapter or

1 chapter 17A.

2 Sec. 12. NEW SECTION. 321.210E **Suspension for delinquent**
3 **administrative fines.**

4 Upon receipt of an order from the Iowa ethics and campaign
5 disclosure board, the department shall suspend the driver's
6 license of a person who has a delinquent civil penalty under
7 section 68B.32E and who received notice from the board required
8 under section 68B.32E, subsection 4. The department shall
9 send notice of the suspension to the person whose license is
10 suspended and shall send confirmation of the license suspension
11 to the Iowa ethics and campaign disclosure board.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

15 This bill relates to matters before the Iowa ethics and
16 campaign disclosure board (board).

17 The bill requires a political committee and a candidate's
18 committee to provide an electronic mail address along with the
19 name, purpose, mailing address, and telephone number of the
20 committee when the committee files a statement of organization
21 with the board. When a committee or organization is not
22 organized under Code section 68A.201, such committee officers
23 are also required to provide an electronic mail address when
24 filing full disclosure reports of all financial activities with
25 the federal election commission or another state's disclosure
26 commission.

27 The bill extends the deadline for required filings to be
28 submitted electronically to the board from 4:30 p.m. to 11:59
29 p.m. on the day the filings are due. By operation of law,
30 in computing time, the first day is excluded and the last
31 included, unless the last falls on Sunday or holiday, in which
32 case the time prescribed is extended so as to include the
33 whole of the following Monday, or day after the holiday, as
34 applicable.

35 The bill adds radio and internet advertising to the

1 definition of "published material" as used in Code chapter
2 68A, and strikes motion picture advertising from the
3 definition. "Published material", including radio and internet
4 advertising under the bill, that is designed to expressly
5 advocate the nomination, election, or defeat of a candidate
6 for public office or the passage or defeat of a ballot issue
7 is required to include an attribution statement disclosing
8 who is responsible for the material. The bill requires the
9 attribution statement to be clear and conspicuous. For radio
10 advertising, the attribution statement must be read in a
11 clearly understandable manner.

12 Under current law, a member of the general assembly, a public
13 official, public employee, or candidate, or that person's
14 immediate family member is prohibited from, directly or
15 indirectly, accepting or receiving certain gifts or series of
16 gifts from restricted donors.

17 Code section 68B.22 provides a number of exceptions to the
18 general gift giving and receiving prohibitions including but
19 not limited to authorizing public officials, public employees,
20 candidates, and members of the immediate family of such persons
21 to accept nonmonetary items with a value of \$3 or less from
22 any one donor during one calendar day. The Code section also
23 authorizes a member of the general assembly to receive food,
24 beverages, registration, or scheduled entertainment with a per
25 person value of up to \$3 from an organization or association
26 which has as one of its purposes the encouragement of the
27 passage, defeat, introduction, or modification of legislation.

28 The bill increases the gift value to \$10 and requires the
29 value of those gifts to be adjusted to reflect a change in
30 value due to inflation based on the annual percentage change
31 in the United States department of labor, bureau of labor
32 statistics, consumer price index for all urban consumers for
33 the midwest region, all items, or its successor index. The
34 Iowa ethics and campaign disclosure board must calculate and
35 record the allowable monetary value changed due to inflation on

1 January 1, 2024, and every January 1 thereafter.

2 Current law requires the board to annually elect one member
3 to serve as the chairperson of the board and one member to
4 serve as vice chairperson. The bill prohibits the chairperson
5 and vice chairperson from being members of the same political
6 party.

7 Under current law, the board must employ a full-time
8 executive director who is the board's chief administrative
9 officer. The board must also employ or contract for the
10 employment of legal counsel and any other personnel as may
11 be necessary to carry out the duties of the board. The
12 board's legal counsel is the chief legal officer of the
13 board and advises the board on all legal matters relating to
14 the administration of Code chapters 68A and 68B. The bill
15 authorizes the board to award the executive director, if that
16 person also serves as the board's legal counsel, additional
17 compensation. The additional compensation must not annually
18 exceed 50 percent of the maximum annual salary for the range
19 established by the general assembly for the board's executive
20 director position.

21 The bill provides enforcement provisions related to
22 delinquent civil penalties assessed by the board under Code
23 section 68B.32, subsection 1, paragraph "h". The bill requires
24 civil penalties to be paid within 30 days of the board's order
25 for a penalty unless a payment plan is established. Under the
26 bill, a civil penalty that is delinquent for 60 days or longer
27 on or after July 1, 2023, shall accrue interest at a rate of
28 10 percent per annum, compounded monthly, beginning on July 1,
29 2023, or the date the penalty becomes delinquent.

30 The bill authorizes the board to send an order to the
31 department of transportation (DOT) to suspend the driver's
32 license of a person who was issued a license in Iowa, if the
33 person has a delinquent penalty in excess of \$250 and received
34 notice as provided in the bill. The bill requires the DOT
35 to suspend the person's driver's license within 10 business

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1 days of receiving the board's order, and then send certain
2 notices. If a delinquent civil penalty of more than \$250 is
3 owed by a person who was not issued a driver's license in Iowa,
4 the board is required to revoke any authority granted by the
5 board for the person to operate a candidate's committee and
6 a political committee in Iowa until the person's debt is no
7 longer delinquent.

8 The bill provides for penalties to be waived and stayed under
9 certain circumstances.